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BRIEF  
TO: PRIORITY EUROPEAN BRIEF.

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FROM: CPAS/ISS

SLUGS: WNINTEL

SUBJECT: HERewith SUPPORT CABLE FOR EUROPEAN BRIEF  
FOR 23 NOVEMBER 1991

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REF: NONE

TEXT:

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FROM: DD-I/O/CPAS

SUBJECT: EAST EUROPEAN BRIEF FOR 23 NOVEMBER 1991.

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Approved for Release  
Date JUN 1999

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1. USSR: SITUATION REPORT

THE RUSSIAN SUPREME SOVIET HAS VOTED TO TAKE CONTROL OF THE USSR STATE BANK AND THE SOVIET BANK FOR FOREIGN ECONOMIC RELATIONS.

RUSSIA TAKES OVER CENTRAL BANKS

THE RUSSIAN SUPREME SOVIET VOTED YESTERDAY TO PUT THE USSR STATE BANK (GOSBANK) AND THE SOVIET BANK OF ECONOMIC RELATIONS (VEB) UNDER THE RUSSIAN CENTRAL BANK. YEL'TSIN HAD SOUGHT TO MAKE THEM DIRECTLY SUBORDINATE TO HIS GOVERNMENT. THE VEB WILL CONTINUE HANDLING PAYMENT OF THE NATIONAL DEBT, AND GOSBANK WILL CONTINUE SERVICING THE SOVIET BUDGET AND INTERNAL DEBT UNTIL RUSSIA TAKES OVER ITS FUNCTIONS ON 1 JANUARY. BYELORUSSIA HAS RESPONDED BY ORDERING ITS HARD CURRENCY ACCOUNTS AT THE VEB CLOSED WITHIN TWO WEEKS.

THE TAKEOVER WILL COMPLETE THE DEMISE OF CENTRAL CONTROL OVER MAJOR FINANCIAL INSTITUTIONS. IT COULD ALSO THREATEN THE RECENT AGREEMENT WITH THE G-7 THAT PROVIDES FOREIGN DEBT RELIEF FOR EIGHT REPUBLICS BUT STIPULATES THAT DEBT PAYMENTS BE MADE THROUGH THE VEB. RUSSIAN OFFICIALS PROBABLY SEE CONTROL OF THE VEB'S ASSETS AS NECESSARY TO ENSURE THAT OTHER REPUBLICS MEET THEIR OBLIGATIONS TO PAY OFF SOVIET DEBT. OTHER REPUBLICS MAY BACK OUT OF THE DEBT ACCORD UNLESS THEY REACH AGREEMENT WITH RUSSIA ON THE DIVISION OF VEB AND UNION ASSETS THIS MONTH.

SEPARATIST POLITICS HEAT UP IN UKRAINE

THE CRIMEAN LEGISLATURE VOTED YESTERDAY TO HOLD A REFERENDUM ON WHETHER TO STAY UNDER UKRAINIAN JURISDICTION, TO REUNITE WITH RUSSIA, OR TO BECOME INDEPENDENT. NO DATE FOR THE VOTE WAS ANNOUNCED. DEPUTIES ALSO APPEALED TO THE UKRAINIAN LEGISLATURE TO PARTICIPATE IN THE NEW UNION.

UKRAINIAN OFFICIALS HAVE REPEATEDLY REJECTED CRIMEAN MOVES TO HOLD A SEPARATE REFERENDUM. YESTERDAY'S VOTE MAY LEAD TO A SHOWDOWN BETWEEN KIEV AND THE INCREASINGLY ASSERTIVE CRIMEAN LEADERSHIP. RUSSIA PROBABLY WILL REFRAIN FROM COMMENT; YEL'TSIN RECENTLY SAID THAT CRIMEA IS AN ISSUE FOR A SOVEREIGN UKRAINE TO HANDLE ALONE. THE ANNOUNCEMENT ALSO IS LIKELY TO REINFORCE A PLANNED BOYCOTT OF UKRAINE'S INDEPENDENCE REFERENDUM ON 1 DECEMBER, WHICH RECENT POLLS INDICATE IS LIKELY TO PASS BY A SLIM MARGIN. (C NF)

CALL TO ARMS IN GEORGIA

GEORGIAN PRESIDENT GAMSAKHURDIYA HAS CALLED ON "ALL GEORGIANS ABLE TO CARRY ARMS" TO MARCH AGAINST THE SOUTH OSSETIAN CAPITAL OF TSKHINVALI TODAY. HE ALSO ANNOUNCED THAT GEORGIA AND CHECHENO-INGUSHETIA WILL SET UP AN "ANTI-IMPERIALIST FRONT THAT WILL DECLARE WAR ON THE EMPIRE."

GAMSAKHURDIYA, PROBABLY EMBOLDENED BY RUSSIA'S FAILURE TO ENFORCE A STATE OF EMERGENCY IN CHECHENO-INGUSHETIA OR TO OUST CHECHEN LEADER DUDAYEV, PROBABLY FEELS NOW HE CAN MOVE AGAINST ARMED OSSETIAN MILITANTS WITHOUT PROVOKING SOVIET OR RUSSIAN INTERVENTION. THERE ARE ABOUT 1,500 ARMED GEORGIAN MILITANTS IN THE

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AREA. CHECHEN LEADERS ARE NOT LIKELY TO JOIN GAMSAKHURDIYA'S PROPOSED FRONT, DESPITE THEIR STATED SUPPORT FOR CAUCASUS UNITY.

## 2. YUGOSLAVIA: SITUATION REPORT

THE FEDERAL ARMY HAS AGREED TO WITHDRAW FROM ITS REMAINING GARRISONS IN THE CROATIAN HINTERLAND BY MID-DECEMBER, BUT SOME FIGHTING CONTINUES AROUND THE REPUBLIC. CROATIAN PRESIDENT TUDJMAN APPEARS TO BE TRYING TO SUPPRESS THE FAR RIGHT, WHICH OPPOSES ANY CESSATION OF HOSTILITIES WITH THE SERBS.

## EVACUATION OF ARMY GARRISONS IN CROATIA

THE EVACUATION OF THE FEDERAL GARRISONS IN SPLIT, SIBENIK, AND DIVULJE BEGAN YESTERDAY IN ACCORDANCE WITH AN AGREEMENT SIGNED LATE THURSDAY BY THE ARMY AND CROATIAN AUTHORITIES.

THE ARMY PROBABLY IS TRYING TO CONSOLIDATE ITS POSITION IN EASTERN SLAVONIA BEFORE THE ONSET OF WINTER. FEDERAL TROOPS MAY TRY TO TAKE VINKOVCI BUT ARE NOT LIKELY TO MAKE A DIRECT ASSAULT ON THE LARGE, PREDOMINANTLY CROAT CITY OF OSIJEK. NEVERTHELESS, THE ARMY ALMOST CERTAINLY WILL TRY TO ISOLATE OSIJEK AND WILL KEEP UP SHELLING AND AIRSTRIKES IN AN ATTEMPT TO BREAK CROATIAN RESISTANCE IN THE CITY.

## TUDJMAN TACKLES FAR RIGHT

CROATIAN POLICE YESTERDAY ARRESTED DOBROSLAV PARAGA, LEADER OF THE NEOFASCIST PARTY OF RIGHTS, AND HIS DEPUTY ON CHARGES OF ARMED REBELLION. ANOTHER PARAGA AIDE HAS THREATENED TO BRING FORCES FROM THE PARTY MILITIA TO ZAGREB TO FREE HIM. THE CROATIAN SECURITY COUNCIL EARLIER THIS WEEK CLAIMED THAT THERE WAS A PLOT AFOOT TO OVERTHROW PRESIDENT TUDJMAN AND FORMED A COMMITTEE OF TUDJMAN LOYALISTS TO FERRET OUT THOSE RESPONSIBLE FOR THE FALL OF VUKOVAR.

TUDJMAN APPEARS TO BE TRYING TO PIN THE BLAME FOR VUKOVAR'S FALL ON RIGHTWING EXTREMISTS, WHO LARGELY TOOK OVER THE CITY'S DEFENSE DURING THE FINAL WEEKS OF THE SIEGE. HE PROBABLY HOPES THE MOVE WILL NEUTRALIZE THE STRONGEST CRITICS OF HIS ATTEMPTS TO FIND A COMPROMISE TO STOP THE FIGHTING AND WILL DEFLECT CRITICISM OF HIS INEFFECTIVE LEADERSHIP. PARAGA'S FOLLOWERS ARE UNLIKELY TO RISK A SHOWDOWN AFTER REPORTEDLY LOSING HUNDREDS OF FIGHTERS IN VUKOVAR, BUT THEY MAY RESORT TO TERRORISM AGAINST THE TUDJMAN GOVERNMENT.

## RECOGNITION DRAWING CLOSER

IT REMAINS OFFICIAL EC POLICY THAT MEMBER STATES WILL RECOGNIZE SLOVENIA AND CROATIA ONLY AFTER A NEGOTIATED SETTLEMENT AND THAT THE

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COMMUNITY WILL ACT AS A UNIT ON THE ISSUE. NEVERTHELESS, THERE ARE INCREASING SIGNS THAT RECOGNITION, PERHAPS INITIALLY BY INDIVIDUAL MEMBER STATES, COULD STILL COME THIS YEAR.

THE EC COUNTRIES WOULD PREFER THAT SUCH CONTROVERSIAL ISSUES AS REPUBLIC BORDERS AND PROTECTION OF MINORITY RIGHTS WERE SETTLED BEFORE RECOGNITION. BUT THE EC IS INCREASINGLY ACCEPTING THE BREAKUP OF YUGOSLAVIA AS A POLITICAL REALITY, ESPECIALLY SINCE SERBIA'S TAKEOVER OF FEDERAL INSTITUTIONS.

SERBIA EXPLOITS "YUGOSLAV" DIPLOMACY

THE SERBIAN-DOMINATED YUGOSLAV FOREIGN MINISTRY THIS WEEK CALLED IN THE AMBASSADORS FROM THE SIX NONALIGNED MEMBERS OF THE UN SECURITY COUNCIL TO URGE THEM TO VOTE AGAINST AN OIL EMBARGO AGAINST YUGOSLAVIA. SERBIA'S REPRESENTATIVE ON THE RUMP FEDERAL PRESIDENCY IS NOW IN CHINA, PROBABLY TO DO LIKEWISE. YUGOSLAV REPRESENTATIVES COMPLAINED TO THE GATT YESTERDAY ABOUT THE EC'S ECONOMIC SANCTIONS AGAINST YUGOSLAVIA.

3. USSR: SHOWDOWN IN TAJIKISTAN PROMISES TURMOIL

TAJIKISTAN WILL FACE PROLONGED POLITICAL TURMOIL REGARDLESS OF WHO WINS THE PRESIDENTIAL ELECTION ON SUNDAY. ONLY TWO OF THE 10 OR SO CANDIDATES--ACTING PRESIDENT RAKHMAN NABIYEV AND REFORMIST DAYLAT KHUDONAZAROV--ARE VIABLE CONTENDERS.

KHUDONAZAROV HAS BEEN ENDORSED BY NATIONALIST AND DEMOCRATIC GROUPS, AS WELL AS BY THE REPUBLIC'S LEADING MUSLIM CLERIC AND THE RADICAL ISLAMIC MOVEMENT PARTY.

THE TAJIK PRESIDENTIAL ELECTION IS THE FIRST GENUINE ELECTORAL CONTEST BETWEEN HARDLINERS AND REFORMERS IN THE USSR SINCE THE ABORTED AUGUST COUP, AND THERE IS AN OUTSIDE CHANCE THAT CLAN RIVALRIES AND GROWING PUBLIC ANGER AT THE COMMUNIST PARTY COULD SHIFT SUPPORT TO KHUDONAZAROV. IF HE IS ELECTED, HOWEVER, KHUDONAZAROV WILL FACE A COMMUNIST-DOMINATED LEGISLATURE READY TO FRUSTRATE HIS EFFORTS TO ENACT PROGRESSIVE ECONOMIC AND POLITICAL CHANGES. ON THE OTHER HAND, THE STANDARD OF LIVING IS PLUMMETING, AND SHORTFALLS OF FOOD AND ENERGY ARE EXPECTED THIS WINTER; A PERCEPTION THAT THE PARTY HAD MANIPULATED A VICTORY FOR NABIYEV COULD SPARK WIDESPREAD UNREST AND A POSSIBLE BREAKDOWN IN LAW AND ORDER. THE OUTCOME, MOREOVER, WILL BE A CATALYST FOR POLITICAL DEVELOPMENTS ELSEWHERE IN CENTRAL ASIA. ALTHOUGH A NABIYEV VICTORY PROBABLY WOULD REDUCE PRESSURE ON SUCH OTHER PARTY STRONGMEN AS KAZAKH PRESIDENT NAZARBAYEV AND UZBEK PRESIDENT KARIMOV, A WIN BY KHUDONAZAROV WOULD STIMULATE GRASSROOTS ACTIVISM, PARTICULARLY IN UZBEKISTAN, WHERE A PRESIDENTIAL ELECTION IS SCHEDULED FOR LATE NEXT MONTH.

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4. LEBANON: HIZBALLAH DISSIDENTS TARGET US INTERESTS ~~████████~~

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HIZBALLAH DISSIDENTS ARE PLANNING TO ATTACK WESTERN INTERESTS  
IN BEIRUT TO PROTEST THE RECENT HOSTAGE RELEASES.

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--CUBA, USSR MILITARY BRIGADE WITHDRAWAL TALKS ENDED IN DEADLOCK  
YESTERDAY, ~~████████~~ . . . SOVIETS REFUSING TO LINK PULLOUT  
TO ENDING US PRESENCE AT GUANTANAMO . . . AGREED TO HOLD NEXT ROUND  
SOON, NO DATE SPECIFIED. ~~████████~~

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--NORWEGIAN OFFICIAL SAYS REACTOR LEAKING ON SOVIET MIKE-CLASS

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SUBMARINE THAT SUNK IN APRIL 1989 . . . BELIES SOVIETS CLAIM OF 30-YEAR REACTOR INTEGRITY . . . CONTAMINATION LIKELY TO REMAIN ON OCEAN FLOOR.

--SOVIET ARMY COLONEL TOURED ISRAELI MILITARY BASES ON GOLAN HEIGHTS LAST WEEK . . . MEMBER OF DELEGATION PREPARING TO REOPEN SOVIET EMBASSY . . . FIRST BASE VISIT SINCE 1967.

EUROPE

--POLAND, CZECHOSLOVAKIA, HUNGARY HAVE INITIALED EC ASSOCIATION AGREEMENTS . . . WILL SIGN NEXT MONTH, IMPLEMENT BY MARCH . . . PROMOTES INDUSTRIAL EXPORTS, SUPPORTS REFORM EFFORTS, INCREASES ACCESS TO EC AGRICULTURAL MARKETS.

--SLOVAK PREMIER CARNOGURSKY THIS WEEK REJECTED HIS GOVERNMENT'S RECENT STATEMENT SUPPORTING CZECHOSLOVAK FEDERATION . . . SIGNALS GROWING POLARIZATION WITHIN COALITION, ELECTORATE . . . MAY TRIGGER NO-CONFIDENCE VOTE IN SLOVAK LEGISLATURE.

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